



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

OK # 178

MEMORANDUM FOR CABINET COUNCIL ON FOOD AND AGRICULTURE

FROM: John R. Block
Secretary of Agriculture

I. SUBJECT: Appropriate Federal Government Involvement in Distribution of
Commodities to Needy Persons through Food Banks or other
Organizations

II. ORIGINATOR: U.S. Department of Agriculture DATE: January 27, 1983

III. ACTION FORCING EVENT:

The present level of unemployment has drawn increased media attention to the circumstances of the low-income population. Specifically, a misperception is developing that a significant amount of poverty-related hunger is now present because of increased unemployment and recent changes in federal nutrition assistance programs.

Public perception of this problem is exacerbated by a growing abundance of agricultural commodities. The Administration's payment-in-kind (PIK) program holds great promise for relieving problems in the agricultural economy. However, its "payments" draw increased attention to the abundance of some commodities and perpetuate the false impression that "the government is holding vast stocks of foods while unemployed Americans are going hungry".

Senator Robert Dole will soon introduce a bill to require USDA to expand its commodity distribution activities. This bill and similar efforts are expected to receive significant public support.

IV. ANALYSIS:

Background

At present, USDA is distributing surplus commodities through charitable institutions for their on-site feeding operations (soup kitchens and the like) at the expense of the Commodity Credit Corporation (CCC).

In addition, USDA is spending over \$16 billion a year for nutrition assistance programs, primarily for the Food Stamp Program, which is designed to supplement a low-income household's food purchasing power.

Issues

Should USDA expand current dairy distribution?

- Extend cheese/butter distribution through calendar year 1984?
- Expand distribution to include non-fat dry milk?

Should USDA expand beyond dairy distribution and allow a nationwide distribution of other surplus commodities for home consumption?

Should USDA give greater support and visibility to the outstanding volunteer work now being done in the distribution of cheese and butter at the local level?

V. CONCLUSION:

USDA is considering the above and will be looking at other possible alternatives. This issue has been brought before the Cabinet Council for information and with a request for suggestions.